

VZCZCXRO7325
RR RUEHAG RUEHDF RUEHIK RUEHLZ RUEHROV RUEHSL RUEHSR
DE RUEHTC #0475/01 2191230
ZNR UUUUU ZZH
R 071230Z AUG 09
FM AMEMBASSY THE HAGUE
TO RUEHC/SECSTATE WASHDC 3142
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHDS/AMEMBASSY ADDIS ABABA 0460
RUEHNR/AMEMBASSY NAIROBI 0445
RUEHAT/AMCONSUL AMSTERDAM 4244

UNCLAS SECTION 01 OF 02 THE HAGUE 000475

SIPDIS

E.O. 12958: N/A
TAGS: [EAID](#) [ECON](#) [NL](#)
SUBJECT: NETHERLANDS: DUTCH SUPPORT FOR HUMANITARIAN CRISIS
IN ETHIOPIA, SOMALIA, AND KENYA

REF: STATE 70789

THE HAGUE 00000475 001.2 OF 002

¶1. (SBU) Summary: The Dutch overseas development assistance (ODA) budget is facing cutbacks as a result of the economic crisis. The Government of the Netherlands (GONL) therefore plans to reduce its 2009 ODA to Kenya and Ethiopia. Because the GONL considers Somalia to be a priority country with a deteriorating security situation, however, it is increasing its 2009 ODA slightly over 2008 levels. All figures below are in addition to the 500 million euro (USD 714 million) that the GONL provided in 2008 to its ongoing Agriculture, Rural Employment, and Food Security Initiative which addresses chronic food shortages in Africa and other regions of the world, and which the Dutch described at the G8 summit in Italy. End summary.

OVERVIEW OF DUTCH ODA IN AFRICA

¶2. (SBU) ECONOFF delivered the points in reftel to the following officials in the Dutch Ministry of Foreign Affairs, which administers all ODA: Robert-Jan Scheer, Head of the International Markets Division; Hanna Idema, Policy Officer for Djibouti, Ethiopia, and Somalia; Niek de Regt, Policy Officer for Sudan and Iraq; and Liesbeth Hofs, Budget Officer in the Financial and Economic Affairs Division. They explained that the economic recession in the Netherlands was forcing cutbacks in most areas of the 2009 Dutch ODA budget, including Africa. The GONL spends a fixed 0.8 percent of GDP - about USD 7 billion - on ODA annually, making it the world's fourth largest aid donor as a percentage of GDP and the sixth largest in absolute terms. Almost two-thirds of that - USD 4.5 billion - goes to Africa. Because Dutch GDP is expected to shrink almost 5 percent in 2009, the overall ODA budget, which is tied to GDP, must shrink accordingly. The GONL therefore plans to cut about USD 225 million from its Africa program in 2009. Funding levels are expected to return to normal as GDP begins to recover in 2010 and 2011. Following are the GONL's specific budgets for Kenya, Ethiopia, and Somalia in 2008 and 2009.

KENYA

¶3. (SBU) The GONL gave 2.5 million euro (USD 3.6 million) in ODA to Kenya in 2008 via the United Nations and Dutch and international NGOs. Thus far in 2009, however, the government has spent only 1 million euro (USD 1.4 million) through the UN's World Food Program to help address the urgent food shortage. Due to the required budget cuts, the

GONL does not expect to spend significantly more in Kenya this year.

ETHIOPIA

¶4. (SBU) The GONL gave 22 million euro (USD 31.3 million) to Ethiopia in 2008, of which 19 million euro (USD 27 million) went to the UN,s Humanitarian Response Fund. The government also gave 2 million euro (USD 2.9 million) through UNICEF for food aid to malnourished children. The GONL provided the remaining 1 million euro (USD 1.4 million) for additional food aid through the UN,s World Food Program. In 2009, however, the GONL expects to give only 5 to 8 million euro (USD 7.1 to 11.4 million) to Ethiopia using the various UN instruments above. MFA contacts added that the GONL is one of the main donors to the UN,s global Central Emergency Response Fund, which allocated 31.5 million euro (USD 45 million) for humanitarian aid to Ethiopia in 2008. The GONL is providing 40 million euro (USD 57 million) to the CERF in ¶2009.

SOMALIA

¶5. (SBU) The GONL had formally budgeted 7 million euro (USD 10 million) for ODA to Somalia in 2008, but because of urgent food and medical needs, the government doubled this amount to 14 million euro (USD 20 million). Because the GONL considers Somalia to be a priority country with a deteriorating humanitarian and security situation, it increased its formal ODA budget for 2009 to 8.7 million

THE HAGUE 00000475 002.2 OF 002

euro (USD 12.4 million), despite budget cutbacks in other countries. These funds are being distributed mainly through UN instruments (including the Humanitarian Response Fund, World Food Program, UNHCR, and UNICEF) and international NGOs.
GALLAGHER